GOVERNMENT OF INDIA
PLANNING
LOK SABHA

STARRED QUESTION NO:229
ANSWERED ON:05.12.2001
FINANCIAL ASSISTANCE TO STATES
C. SREENIVAASAN;SAVSHIBHAI MAKWANA

Will the Minister of PLANNING be pleased to state:

(a) the total normal financial assistance provided to the States during each of the last two years, State-wise;

(b) the reasons for not providing the required amount to States;

(c) whether due to non-availability of funds as sought by the States, welfare oriented schemes have been hampered;

(d) if so, the details thereof; and

(e) the steps taken by the Centre to provide additional financial assistance to States?

Answer

THE MINISTER OF STATE OF THE MINISTRY OF SMALL SCALE INDUSTRIES, MINISTER OF STATE IN THE MINISTRY PERSONNEL, PUBLIC GRIEVANCES & PENSIONS, MINISTER OF STATE IN THE MINISTRY OF PLANNING AND MINISTER O STATE IN THE DEPARTMENT OF ATOMIC ENERGY AND SPACE (SHRIMATI VASUNDHARA RAJE)

(a) to (e) A Statement is laid on the Table of the House.

Statement referred to in reply to Part (a) of the Lok Sabha Starred Question No 229 to be answered on 05.12.2001.

NORMAL CENTRAL ASSISTANCE ALLOCATED TO STATES FOR ANNUAL PLANS 1999-2000 & 2000-01

(Rs. Crore)

Sl. No.	States/UTs	1999-2000	2000-01
1.	Andhra Pradesh	3,210.50	3,661.06
2.	Arunachal Pradesh	574.17	609.50
3.	Assam	1,616.11	1,686.56
4.	Bihar+	2,390.27	2,369.04
5.	Goa	90.11	127.92
6.	Gujarat	1,433.77	1,462.40
7	Haryana	1,022.31	655.52
8.	Himachal Pradesh	809.71	810.89
9.	Jammu & Kashmir	2,631.98	1,963.26
10.	Karnataka	1,612.41	1,753.36
11.	Kerala	873.80	882.98
12.	Madhya Pradesh+	2,184.32	2,134.01
13.	Maharashtra	1,501.88	1,946.79
14.	Manipur	506.08	565.86
15.	Meghalaya	421.77	393.59
16.	Mizoram	384.67	401.2617
17.	Nagaland	394.76	424.59

18. Orissa	2,031.11	1,915.09
19. Punjab	742.73	871.21
20. Rajasthan	1,648.12	1,460.53
21. Sikkim	329.92	263.01
22. Tamil Nadu	1,574.80	1,644.18
23. Tripura	656.12	633.70
24. Uttar Pradesh+	6,175.76	5,891.10
25. West Bengal	3,315.58	2,780.19

Note: + Undivided MP,UP and Bihar

Statement referred to in reply to Part (b) of the Lok Sabha Starred Question No 229 to be answered on 05.12.2001

Normal Central Assistance is allocated on the basis of Gadgil-Mukherjee formulaapproved by the National Development Council (NDC). Planning Commissionprovides assistance to states according to this formula within the overall availability of the resources with the Union Government.

Statement referred to in reply to Part (c) and Part (d) of the Lok Sabha Starred Question No 229 to be answered on 05.12.2001

Welfare oriented schemes of State Government are financed by the States` ownresources and partially by the Central Assistance. Normal Central Assistance isprovided as per formula, and Additional Central Assistance is provided for specific purposes. States are encouraged to augment their own resources by additional resource mobilisation should they need to.

Statement II referred to in reply to Part (e) of the Lok Sabha Starred Question No 229 to be answered on 05.12.2001

STEPS TAKEN TO PROVIDE ADDITIONAL ASSISTANCE TO STATES

In addition to Normal Central Assistance provided to States under Gadgil- Mukherjee formula and Special Programmes for their Plan Programmes, necessary steps are taken by the Central Government to provide additional financial assistance to States as under:-

1) Additional Central Assistance for Externally Aided Projects: States thatsecure foreign loans and grants for specific projects are given additional financial assistance from this head. Since foreign donors usually release loans and grants on a reimbursement basis, it is necessary to provide the initial expenditure required for such projects, which are later adjusted from the foreign loan actually received by the State concerned.

2) Additional Financial Assistance for other Projects: Additional CentralAssistance is also given to States for specific programmes that are of importance to the States concerned, for example, Border Area Development Programme, PrimeMinister`s Gramodaya Yojana, Accelerated Irrigation Benefit Programme,Accelerated Power Development Programme, Slum Development Programme. To avail themselves of this facility, States are required to submit their detailed proposals to the ministry/Department administering the programme. The Ministries concerned examine these proposals in detail and made releases of assistance accordingly.

3) Special Plan Assistance: Additional financial assistance is also given to States, which face special problems, to assist them in their development efforts. These are not necessarily project specific. To avail themselves of this facility, States submit their proposals to the Planning Commission that examines them in consultation with the Ministries concerned and the Ministry of Finance.